
TITLE 326 AIR POLLUTION CONTROL BOARD

FIRST NOTICE OF COMMENT PERIOD

LSA Document #07-353

DEVELOPMENT OF AMENDMENTS TO RULES CONCERNING STAGE I VAPOR RECOVERY MEASURES FROM GASOLINE DISPENSING FACILITIES**PURPOSE OF NOTICE**

The Indiana Department of Environmental Management (IDEM) is soliciting public comment on amendments to rule [326 IAC 8-4-6](#) concerning vapor recovery measures from gasoline dispensing facilities in Indiana. IDEM seeks comment on the affected citations listed and any other provisions of Title 326 that may be affected by this rulemaking.

CITATIONS AFFECTED: [326 IAC 8-4-1](#); [326 IAC 8-4-6](#).

AUTHORITY: [IC 13-14-8](#); [IC 13-17-3-4](#); [IC 13-17-3-11](#); [IC 13-17-3-2](#).

SUBJECT MATTER AND BASIC PURPOSE OF RULEMAKING**Basic Purpose and Background**

In the April 30, 2004, Federal Register (69 FR 23858), the U.S. EPA designated the following 23 Indiana counties: Allen, Boone, Clark, Delaware, Dubois, Elkhart, Floyd, Greene, Hamilton, Hancock, Jackson, Johnson, Lake, LaPorte, Madison, Marion, Morgan, Porter, Shelby, St. Joseph, Vanderburgh, Vigo, Warrick, and Lawrenceburg Township in Dearborn County as nonattainment for the eight-hour ozone National Ambient Air Quality Standard (8-hour ozone standard), which is designed to protect human health and the environment. Since that time, all monitoring locations in Indiana have met the 8-hour ozone standard and IDEM is working with the U.S. EPA to have the 23 counties redesignated to attainment. The Cincinnati, Ohio metropolitan area has not yet attained the 8-hour standard, and IDEM has prepared a State Implementation Plan (SIP) revision for Lawrenceburg Township that addresses its contribution to Cincinnati's ozone nonattainment.

While all monitored portions of Indiana have attained the current 8-hour ozone standard, it is prudent for Indiana to consider implementing additional cost-effective measures to reduce emissions that contribute to the formation of ozone. The reasons for considering additional reductions include: the narrow margin between Indiana's current air quality and the current standard, the fact that the U.S. EPA is in the process of reevaluating the 8-hour ozone standard and will likely lower it, and the concerns expressed by other states that emissions from Indiana are contributing to their inability to attain the standard (the Clean Air Act provides a legal mechanism for those states to require Indiana to reduce Indiana's potential contribution to nonattainment in other states).

Indiana has been working with other states on a suite of measures to be considered by each of these states to reduce our mutual contribution to ozone formation in the upper Midwest and the eastern United States. These measures include regulation of volatile organic compounds from: automotive refinishing; architectural and industrial maintenance coatings; consumer and commercial products; organic solvent degreasers; and stage 1 vapor recovery from gasoline dispensing facilities (the subject of this notice). In general, these proposed regulations would expand regulations that already exist in parts of Indiana and other states to cover all similar emissions from each of the participating states. The potential benefits of this coordinated action include improved Indiana and regional air quality that may prevent future nonattainment designations if the U.S. EPA tightens the ozone standard, an improved margin of safety between current Indiana air quality and the current standard, reduced likelihood of the need to impose more costly emission reduction measures in the future.

Stage I vapor recovery refers to the collection of gasoline vapors displaced from underground storage tanks when filled by delivery trucks. VOC emissions are released into the atmosphere when the gasoline vapors in the underground storage tank are displaced by gasoline being loaded into the tank. In the absence of systems designed to recapture the gasoline vapors otherwise lost into the atmosphere, about 7.6 pounds of VOCs are released into the air for every 1,000 gallons of gasoline that is dispensed.

The 1977 Clean Air Act Amendments required states to submit to the U.S. EPA a revised SIP for ozone to control VOC emissions from stationary sources such as bulk gasoline terminals and plants and gasoline service stations. Vapor balance systems to collect gasoline vapors displaced during the transfer of gasoline between storage tanks and gasoline delivery trucks are considered to be Reasonably Available Control Technology (RACT). In 1979, the Air Pollution Control Board adopted RACT rules for sources in ozone nonattainment. Vapor balance requirements originally exempted service stations with a monthly throughput of less than 20,000 gallons. In order to comply with EPA guidelines, this exemption was lowered to 10,000 gallons per month in 1985.

Stage I vapor recovery is currently required statewide at all gasoline dispensing facilities with a monthly gasoline throughput of 10,000 gallons per month or greater and that have been installed after July 1, 1989. Stage I vapor recovery requirements are implemented under [326 IAC 8-4-6](#) and require the use of a submerged fill pipe

to minimize the creation of vapors and the connection of a vapor balance system between the tank and transport that allows gasoline vapors from the underground storage tank to be displaced back to the tank truck during loading.

IDEM estimates that rules requiring submerged loading and vapor balancing achieve a 90% reduction in VOC emissions versus uncontrolled underground storage tank loading. Currently, virtually all gasoline dispensing facilities in Indiana with monthly gasoline throughputs of greater than 10,000 gallons per month already meet current stage I vapor recovery requirements. In order for IDEM to accurately document VOC reductions from facilities using stage I vapor recovery but that were installed prior to July 1, 1989, this rulemaking will contemplate amending [326 IAC 8-4-1](#) to remove the applicability date of July 1, 1989.

The control of gasoline vapors at gasoline dispensing facilities can be accomplished through other measures in combination with stage I vapor recovery. Stage II vapor recovery refers to the control of the gasoline vapors displaced from the vehicle's fuel tank when dispensing fuel from the pump. A specially designed fuel nozzle is used at the gasoline pump to collect vapors from the vehicle's gasoline tank. The collected vapors are either returned to the gasoline station's underground storage tank or combusted in a flare. In Indiana, only Lake, Porter, Clark, and Floyd counties are subject to stage II vapor recovery requirements.

Stage II vapor recovery also refers in part to onboard refueling vapor recovery (ORVR) systems, which are installed in each vehicle and capture vapors from the fuel tank for eventual release to the engine. The 1990 Clean Air Act Amendments require the installation of ORVR on all new vehicles as of 2006. The ORVR system requirements duplicate and replace the VOC reductions that would be gained by a statewide expansion of stage II vapor recovery systems requirements for Lake, Porter, Clark, and Floyd counties. Therefore, this rulemaking will not affect Indiana's requirements for stage II vapor recovery.

Alternatives To Be Considered Within the Rulemaking

Alternative 1. Do not amend the rule.

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No.
- Is this alternative imposed by federal law or is there a comparable federal law? This alternative is not imposed by federal law and there is no comparable federal law. It is a "state-only" requirement.
- If it is a federal requirement, is it different from federal law? Not applicable.
- If it is different, describe the differences. Not applicable.

Alternative 2. Adopt amendments to rules expanding applicability of stage I vapor recovery requirements.

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No.
- Is this alternative imposed by federal law or is there a comparable federal law? This alternative is not imposed by federal law and there is no comparable federal law. It is a "state-only" requirement. However, this alternative is designed to provide statewide credit for VOC emission reductions, and will help Indiana and other states more accurately document and account for VOC emissions reductions and demonstrate attainment with the eight-hour federal ozone standard under the Clean Air Act.
- If it is a federal requirement, is it different from federal law? Not applicable.
- If it is different, describe the differences. Not applicable.

Applicable Federal Law

Section 182 of the Clean Air Act requires states to develop a State Implementation Plan requiring the implementation of RACT in areas classified as moderate, serious, severe, or extreme nonattainment with respect to each category of VOC sources in the area covered by a Control Techniques Guidelines (CTG) document issued by the U.S. EPA. The U.S. EPA issued a CTG regarding stage I vapor recovery "Design Criteria for Stage I Vapor Control Systems Gasoline Service Stations" in November 1975.

Potential Fiscal Impact

Potential Fiscal Impact of Alternative 1. This alternative will have no fiscal impact.

Potential Fiscal Impact of Alternative 2. This alternative considers an amendment to the applicability of stage I vapor recovery requirements in order to document existing statewide VOC emissions reductions and will have no fiscal impact.

Small Business Assistance Information

IDEM established a compliance and technical assistance (CTAP) program under [IC 13-28-3](#). The program provides assistance to small businesses and information regarding compliance with environmental regulations. In accordance with [IC 13-28-3](#) and [IC 13-28-5](#), there is a small business assistance program ombudsman to provide a point of contact for small businesses affected by environmental regulations. Information on the CTAP program, the monthly CTAP newsletter, and other resources available can be found at:

www.in.gov/idem/compliance/ctap/index.html

Small businesses affected by this rulemaking may contact the Small Business Regulatory Coordinator:

Christina Lowry
IDEM Compliance and Technical Assistance Program
OPPTA - MC60-04
100 N. Senate Avenue
W-041

Indianapolis, IN 46204-2251
(317) 234-1191
clowry@idem.in.gov

The Small Business Assistance Program Ombudsman is:

Megan Tretter
IDEM Small Business Assistance Program Ombudsman
MC 50-01--IGCN 1307
100 N. Senate Ave.
Indianapolis, IN 46204-2251
(317) 234-3386
mtretter@idem.in.gov

Public Participation and Workgroup Information

At this time, no workgroup is planned for the rulemaking. If you feel that a workgroup or other informal discussion on the rule is appropriate, please contact Sean Gorman, Rules Development Section, Office of Air Quality at (317) 234-3533 or (800) 451-6027 (in Indiana).

STATUTORY AND REGULATORY REQUIREMENTS

[IC 13-14-8-4](#) requires the board to consider the following factors in promulgating rules:

- (1) All existing physical conditions and the character of the area affected.
- (2) Past, present, and probable future uses of the area, including the character of the uses of surrounding areas.
- (3) Zoning classifications.
- (4) The nature of the existing air quality or existing water quality, as the case may be.
- (5) Technical feasibility, including the quality conditions that could reasonably be achieved through coordinated control of all factors affecting the quality.
- (6) Economic reasonableness of measuring or reducing any particular type of pollution.
- (7) The right of all persons to an environment sufficiently uncontaminated as not to be injurious to human, plant, animal, or aquatic life or to the reasonable enjoyment of life and property.

REQUEST FOR PUBLIC COMMENTS

At this time, IDEM solicits the following:

- (1) The submission of alternative ways to achieve the purpose of the rule.
- (2) The submission of suggestions for the development of draft rule language.

Mailed comments should be addressed to:

#07-353(APCB) Stage I Vapor Recovery
Sean Gorman Mail Code 61-50
c/o Administrative Assistant
Rules Development Section
Office of Air Quality
Indiana Department of Environmental Management
100 North Senate Avenue
Indianapolis, Indiana 46204.

Hand delivered comments will be accepted by the IDEM receptionist on duty at the tenth floor reception desk, Office of Air Quality, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana.

Comments may be submitted by facsimile at the IDEM fax number: (317) 233-2342, Monday through Friday, between 8:15 a.m. and 4:45 p.m. Please confirm the timely receipt of faxed comments by calling the Rules Section at (317) 233-0426.

COMMENT PERIOD DEADLINE

Comments must be postmarked, faxed, or hand delivered by July 27, 2007.

Additional information regarding this action may be obtained from Sean Gorman, Rules Development Section, Office of Air Quality, (317) 234-3533 or (800) 451-6027 (in Indiana).

Pat Troth, Chief
Rules Development Section
Air Programs Branch
Office of Air Quality

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